JAP:NJM

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

17 M 0486

- - - - - - - - - - - - X

UNITED STATES OF AMERICA

- against -

DANIEL EMERSON NORTON,

Defendant.

- - - - - - - - - - - - X

AFFIDAVIT IN SUPPORT OF REMOVAL TO THE SOUTHERN DISTRICT OF OHIO

(Fed. R. Crim. P. 5)

EASTERN DISTRICT OF NEW YORK, SS:

ROBERT HERRERA, being duly sworn, deposes and states that he is a Deputy Marshal with the United States Marshals Service, duly appointed according to law and acting as such.

Upon information and belief, on or about March 14, 2017, a warrant for the arrest of the defendant DANIEL EMERSON NORTON was issued by the United States District Court for the Southern District of Ohio in connection with a superseding indictment charging him with conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349; wire fraud, in violation of 18 U.S.C. § 1343; making false statements to federal officials, in violation of 18 U.S.C. §§ 1001 and 2; concealment money laundering, in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2; and money laundering, in violation of 18 U.S.C. §§ 1957 and 2.

The source of your deponent's information and the grounds for his belief are as follows:[1]

1. On or about March 14, 2017, a warrant for the arrest of the defendant DANIEL EMERSON NORTON was issued by the United States District Court for the Southern District of Ohio in connection with a superseding indictment charging him with conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349; wire fraud, in violation of 18 U.S.C. § 1343; making false statements to federal officials, in violation of 18 U.S.C. §§ 1001 and 2; concealment money laundering, in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2; and money laundering, in violation of 18 U.S.C. §§ 1957 and 2. A copy of the arrest warrant and superseding indictment are annexed hereto as Exhibit A.

2. I have been informed by law enforcement that the defendant DANIEL EMERSON NORTON, who was in Finland and whose United States passport was no longer valid, applied for a one-way, one-use passport from the United States Department of State for the purpose of returning to the United States to self-surrender. The United States Department of State issued a one-way, one-use passport under the name "Daniel Emerson Norton," and the defendant traveled to the United States using that passport.

3. The defendant DANIEL EMERSON NORTON landed at John F. Kennedy International Airport ("JFK") on board Finnair Flight 5, which arrived at JFK at approximately 4:20 p.m. on May 25, 2017. The defendant surrendered to the United States Marshals at JFK.

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[1] Because the purpose of this affidavit is to set forth only those facts necessary to establish probable cause for removal, I have not described all the relevant facts and circumstances of which I am aware.

4. The defendant DANIEL EMERSON NORTON used the one-way, one-use passport under the name "Daniel Emerson Norton" to travel into the United States from Finland. Upon his arrival in the United States, the defendant was arrested. At the time of his arrest, the defendant had in his possession two pieces of photographic identification, including a Driver License issued by Hawaii and the aforementioned United States passport. Each piece of photographic identification contained the name "Daniel Emerson Norton." Furthermore, at the time of his arrest, the defendant acknowledged that his name is Daniel Norton.

WHEREFORE, your deponent respectfully requests that the DANIEL EMERSON NORTON be removed to the United States District Court for the Southern District of Ohio so that he may be dealt with according to law.

ROBERT HERRERA
Deputy Marshal
United States Marshals Service

Sworn to before me this
26th day of May, 2017

THE HONORABLE ROBERT M. LEVY
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK

ATTACHMENT A

FILED
RICHARD W. NAGEL
CLERK OF COURT
2017 MAR 14 AM 9:50
U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
EAST. DIV. COLUMBUS

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,	:	**CASE NO. 2:17-cr-50**
Plaintiff,	:	**JUDGE GRAHAM**
v.	:	
	:	**SUPERSEDING INDICTMENT**
	:	18 U.S.C. § 1349
DANIEL EMERSON NORTON,	:	18 U.S.C. § 1343
	:	18 U.S.C. § 1956(a)(1)(B)(i)
TIMOTHY M. KELLY, and	:	18 U.S.C. § 1957
EMERSON MANUFACTURING COMPANY, INC.	:	**FORFEITURE ALLEGATIONS**
		UNDER SEAL
Defendants.		

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times relevant to this Indictment:

The Parties

1. Defendant **DANIEL EMERSON NORTON ("NORTON")** resided in Kihei, Hawaii and was a Director and the President of **EMERSON MANUFACTURING COMPANY, INC. ("EMERSON MANUFACTURING").**

2. Defendant **TIMOTHY M. KELLY ("KELLY")** resided in Rancho Palos Verdes, California and was a Director and the Chief Executive Officer of **EMERSON MANUFACTURING.** Defendant **KELLY** was also listed as the Registered Agent on the Corporation filings in California for **EMERSON MANUFACTURING.**

3. Emerson Company, a sole proprietorship held by Defendant **NORTON,** was a Department of Defense (DOD) contractor that was issued CAGE Code 4BUR2 on March 8, 2006.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,	:	**CASE NO. 2:17-cr-50**
Plaintiff,	:	**JUDGE GRAHAM**
v.	:	
	:	**SUPERSEDING INDICTMENT** 18 U.S.C. § 1349 18 U.S.C. § 1343 18 U.S.C. § 1956(a)(1)(B)(i) 18 U.S.C. § 1957
DANIEL EMERSON NORTON,	:	
TIMOTHY M. KELLY, and	:	
EMERSON MANUFACTURING COMPANY, INC.	:	**FORFEITURE ALLEGATIONS**
Defendants.		

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times relevant to this Indictment:

The Parties

1. Defendant **DANIEL EMERSON NORTON ("NORTON")** resided in Kihei, Hawaii and was a Director and the President of **EMERSON MANUFACTURING COMPANY, INC. ("EMERSON MANUFACTURING").**

2. Defendant **TIMOTHY M. KELLY ("KELLY")** resided in Rancho Palos Verdes, California and was a Director and the Chief Executive Officer of **EMERSON MANUFACTURING.** Defendant **KELLY** was also listed as the Registered Agent on the Corporation filings in California for **EMERSON MANUFACTURING.**

3. Emerson Company, a sole proprietorship held by Defendant **NORTON**, was a Department of Defense (DOD) contractor that was issued CAGE Code 4BUR2 on March 8, 2006.

Emerson Company was located in Torrance, California, and according to its website (http://www.emersoncompany.net), was "a designer, manufacturer and distributor of quality products and product components. The company provides contract manufacturing services to aerospace, defense and commercial markets." Defendant **NORTON** was the Defense Logistics Agency (DLA) primary point of contact for Emerson Company, while Defendant **KELLY** served as the office manager. Emerson Company was debarred by the Defense Logistics Agency (DLA) from doing business directly with the U.S. Government from September 26, 2011 to June 13, 2014.

4. **EMERSON MANUFACTURING COMPANY, INC.**, ("**EMERSON MANUFACTURING**") was incorporated in California on August 13, 2009. **EMERSON MANUFACTURING** was located in the same office space as Emerson Company in Torrance, California. It was also temporarily located in Gardena, California from in or about April 2013 until in or about 2015. On February 28, 2014, an Application for Certificate of Authority as a Foreign Corporation was filed with the State of Hawaii on behalf of **EMERSON MANUFACTURING**, which listed Defendant **NORTON** as the Registered Agent.

5. Although Emerson Company and **EMERSON MANUFACTURING** are technically separate entities, the financial accounts for each entity were used interchangeably.

6. Company # 1, known to the Grand Jury but not identified herein, was located in Pennsylvania. Company # 1 was a DOD contractor that received its CAGE Code on January 14, 2009. Company # 1 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

7. Company # 2, known to the Grand Jury but not identified herein, was located in California. Company # 2 was a DOD contractor that received its CAGE Code on May 2, 2009.

Company # 2 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

8. Company # 3, known to the Grand Jury but not identified herein, was located in Pennsylvania. Company # 3 was a DOD contractor that received its CAGE Code on December 10, 2010. Company # 3 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

9. Company # 4, known to the Grand Jury but not identified herein, was located in California. Company # 4 was a DOD contractor that received its CAGE Code on April 7, 2011. Company # 4 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

10. Company # 5, known to the Grand Jury but not identified herein, was located in Maryland. Company # 5 was a DOD contractor that received its CAGE Code on May 6, 2011. Company # 5 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

11. Company # 6, known to the Grand Jury but not identified herein, was located in Hawaii. Company # 6 was a DOD contractor that received its CAGE Code on January 18, 2012. Company # 6 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

12. Company # 7, known to the Grand Jury but not identified herein, was located in California. Company # 7 was a DOD contractor that received its CAGE Code on October 29, 2012. Company # 7 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

13. Company # 8, known to the Grand Jury but not identified herein, had a business address in Florida, but the owner resided in Hawaii. Company # 8 was a DOD contractor that received its CAGE Code on March 29, 2013. Company # 8 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

14. Company # 9, known to the Grand Jury but not identified herein, has a business address in Nevada, but the owner resided in California and was an employee of Emerson Company. Company # 9 was a DOD contractor that received its CAGE Code on October 4, 2011. Company # 9 supplied parts to the DOD for use by the United States Military that it had obtained or ordered through Emerson Company, in reliance that Defendants **NORTON** and **KELLY** would supply the correct parts.

15. N.S., Inc., owned by an individual identified herein by the initials "B.C.," is a manufacturing company incorporated in Texas, but whose operations are located in Suzhou, China. N.S., Inc. assisted customers, including Defendants **NORTON** and **KELLY**, in obtaining Chinese manufactured parts at competitive prices.

The Process

16. The Department of Defense (DOD), through its various agencies, such as the DLA Land & Maritime (L&M), located in Columbus, Ohio, within the Southern District of Ohio,

contracted with private individuals and companies for the supply of various items for component parts and end products to be used by members of the United States military. The DOD required that all parts purchased be in conformity with the required government specifications.

17. Generally, the process to contract with the DOD worked as follows: the DOD issued "solicitations" electronically, which DOD contractors then responded to with quotes, also electronically; based on quotes received, the DOD issued Purchase Orders to a specific contractor for specific required parts. If a contractor bid "without exception," it meant that the "exact product" would be furnished under the contract. The DLA L&M solicitations and Purchase Orders listed the DOD requirements (drawings or military and/or commercial specifications) for each part. The contractor was required to have a quality control system in place to ensure the parts they supplied to the DOD were in accordance with all DOD drawings and specifications, prior to shipping the parts to the DOD. Once shipped, the contractor submitted an invoice to the DOD electronically, representing that the parts shipped met the required government specifications. Upon receiving an invoice, the DOD, through the Defense Finance and Accounting Service (DFAS), also located in Columbus, Ohio, in the Southern District of Ohio, issued electronic payment to the supplying contractor and retained a voucher as a record of the payment.

18. DOD contractors must be registered in the Central Contractor Registration (CCR), agree to receive payments electronically, and obtain a Commercial and Government Entity (CAGE) code. The CAGE code is a five-character identification number used extensively within the federal government, and assigned by DLA. The CAGE code is used to support a variety of mechanized systems throughout the government and provides a standardized method of identifying a given contractor's facility, at a specific location.

19. Certificates of Conformance (COCs) certify that on a particular date, a contractor furnished the supplies or services called for by a particular contract via an identified method of shipping and in accordance with all applicable requirements. The certificates further certify that the supplies or services are of the quality specified and conform in all respects with the contract requirements, including specification, drawings, preservation, packaging, packing, marking requirements, and physical item identification (part number), and are in the quantity shown on the certificate or an attached acceptance document. In some instances, DOD requires that contractors submit COCs with the parts supplied.

20. The various parts supplied as part of the scheme to defraud, as alleged below, did not meet the specified military requirements and specifications as listed in the Purchase Orders. The parts involved were designed to be utilized on military weapon systems to include aircraft, vessels, vehicles, and Nuclear Reactor programs. Many of the parts were considered critical application items. A critical application item was an item essential to weapon system performance or operation, or the preservation of life or safety of operating personnel, as determined by military services.

COUNT 1
(Conspiracy to Commit Wire Fraud)

21. The factual allegations set forth in Paragraphs 1 through 20 of Introduction Section of this Indictment are re-alleged and fully incorporated by reference herein.

22. Beginning at least as early as 2010 and continuing through in or about 2013, in the Southern District of Ohio and elsewhere, the defendants,

DANIEL EMERSON NORTON, and
TIMOTHY M. KELLY

did knowingly and intentionally conspire and agree with others known and unknown to the grand jury to commit wire fraud, that is, to devise and intend to devise a scheme to defraud the United States Department of Defense and for obtaining money and property from the DOD by means of materially false and fraudulent pretenses, representations and promises, and material omissions, and for the purpose of executing the scheme, using wire communications in interstate commerce, in violation of 18 U.S.C. § 1343.

The Object of the Conspiracy

23. The object of the conspiracy was for the defendants to unlawfully enrich themselves by providing the Department of Defense and the United States Military nonconforming parts in response to at least 130 Purchase Orders awarded to contractors with active CAGE Codes at the defendants' request. As a result of the defendants' conspiracy to defraud and to fraudulently obtain money belonging to the DOD, the defendants illegally obtained approximately $2,151,118.90.

Manner and Means of the Conspiracy

24. The manner and means by which the defendants sought to accomplish the objective of the conspiracy include, but are not limited to, the following:

a. Defendant **NORTON** recruited individuals who either already had companies, or were willing to start companies, for the purpose of bidding on solicitations and contracting with the DOD to provide parts for the United States Military under the guise of being manufacturers.

b. Defendant **NORTON** assisted each newly created company with obtaining the required CAGE code to contract with the DOD.

c. Defendant **NORTON** emailed these contractors, identified above as Companies # 1 through # 9, to provide instruction on what price and delivery timeframe to quote for certain DOD solicitations. Often, Defendant **NORTON** would direct multiple companies to bid on the same solicitation, within pennies of each other, in an effort to ensure that one of the companies would be awarded the Purchase Order. Quotes were submitted electronically to the DOD by Companies #1 through #9.

d. When one of the companies was awarded a purchase order, Defendants **NORTON** and **KELLY** instructed the contractor to send the purchase order to Emerson Company, which would purchase and ship the part directly to the DOD.

e. Defendants **NORTON** and **KELLY** regularly communicated by email with the manufacturers and each other regarding quotes, specifications and other matters pertaining to the production of parts.

f. Defendants **NORTON** and **KELLY** often ordered a sample size of the correct part from a manufacturer in the United States and then arranged for the samples to be sent to China for production of the lot required for the purchase order.

g. Defendants **NORTON** and **KELLY** purchased parts identified in this indictment from, and on occasion traveled to, manufacturers in China, even though a large number of the purchase orders specified that parts be manufactured or obtained pursuant to the Buy American Act.

h. Defendants **NORTON** and **KELLY** also authorized the use of substituted materials in manufacturing some of the parts sold to the DOD, without notifying the DOD that they were altering the terms of the contracts nor seeking permission to do so.

i. Defendants **NORTON** and **KELLY** also provided the DOD with parts that had dimensional defects, incorrect or missing markings, zinc plating in lieu of cadmium plating, incorrect finishes, improper shapes or styles, mislabeled packaging, or poor workmanship.

j. Once Emerson Company received the part, Defendant **KELLY** oversaw the packaging and shipping of the part to the DOD.

k. Defendants **NORTON** and **KELLY** did not send the part to the contractor who won the contract prior to Emerson Company shipping it to the DOD. Nevertheless, Defendants **NORTON** and **KELLY** would routinely instruct the contractor to sign a Certificate of Conformance (COC), initially prepared by Defendant **KELLY**, indicating the part had been inspected and met DOD specifications.

l. Despite directing the contractor to sign the COCs, Defendants **NORTON** and **KELLY** submitted nonconforming parts for the purchase orders identified below and others.

m. Once shipped, Defendant **KELLY** contacted the contractor who held the purchase order, usually through email, and instructed the owner to submit an invoice to the DOD electronically through the DFAS in Columbus, Ohio, representing that the parts have been shipped and met the required specifications.

n. After DFAS issued the electronic payment for the invoice, Emerson Company invoiced the contractor for the full amount paid by DFAS, less a 10% discount. Therefore, 90% of the funds received by the contractors from DFAS on each contract were paid to Emerson Company, per the arrangement made with Defendants **NORTON** and **KELLY**.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2-31
(Wire Fraud)

25. The factual allegations set forth in Paragraphs 1 through 20 of the Introduction Section of this Indictment are re-alleged and fully incorporated by reference herein.

26. The allegations set forth in Count 1 are also incorporated by reference herein.

27. Beginning at least as early as 2010 and continuing through in or about 2013, in the Southern District of Ohio and elsewhere, the defendants,

**DANIEL EMERSON NORTON, and
TIMOTHY M. KELLY**

knowingly devised and intended to devise a scheme to defraud the United States Department of Defense (DoD), and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

28. On or about each of the dates listed below, in the Southern District of Ohio and elsewhere, the defendants, for the purpose of executing and attempting to execute the scheme described above in Count 1, caused to be transmitted in interstate commerce, by means of wire, radio, or television communications, certain writings, signs, signals, pictures or sounds, to wit: the wire transfer of funds by the Defense Finance and Accounting Service (DFAS) to the companies identified below for the Purchase Order (PO) listed, as described for each count:

Count	Date of Offense	Contractor	DFAS Wire Communication
2	Oct. 17, 2012	Company #2	Transfer of $3,748.12 for PO ending #2819
3	Nov. 5, 2012	Company #2	Transfer of $35,339.15, of which $30,450.00 was paid for PO ending #0369
4	Oct. 22, 2012	Company #2	Transfer of $1,629.59, of which $275.41 was paid for PO ending #6356
5	Oct. 15, 2012	Company #2	Transfer of $106,728.88, of which $106,453.47 was paid for PO ending #1256
6	Oct. 11, 2012	Company #2	Transfer of $4,722.51 for PO ending #4560
7	July 25, 2012	Company #4	Transfer of $39,591 for PO ending #1624
8	Jan. 25, 2013	Company #4	Transfer of $1,594.10 for PO ending #0307
9	July 30, 2012	Company #5	Transfer of $8,871.32, of which $8,372.00 was paid for PO ending #4390
10	Mar. 5, 2012	Company #5	Transfer of $9,501.65, of which $2,310.29 was paid for PO ending #0954

11	Mar. 26, 2012	Company #5	Transfer of $62,161.56, of which $11,964 was paid for PO ending #6514
12	Aug. 31, 2012	Company # 5	Transfer of $111,420.00 for PO ending #0363
13	Oct. 22, 2012	Company #6	Transfer of $28,025.93, of which $2,331.00 was paid for PO ending #6961
14	May 14, 2012	Company #6	Transfer of $21,318.72, of which $408.90 was paid for PO ending #1701
15	May 16, 2012	Company #6	Transfer of $1,030.33, of which $201.88 was paid for PO ending #1856
16	Oct. 17, 2012	Company #6	Transfer of $15,991.92, of which $5,623.50 was paid for PO ending #4229
17	Oct. 29, 2012	Company #6	Transfer of $102,700.18, of which $11,193.76 was paid for PO ending #2914
18	Nov. 29, 2012	Company #6	Transfer of $43,550.28, of which $2,650.00 was paid for PO ending #LE54
19	Nov. 29, 2012	Company #6	Transfer of $43,550.28, of which $2,850.00 was paid for PO ending #JQ22
20	Aug. 20, 2012	Company #6	Transfer of $80,251.23, of which $36,208.00 was paid for PO ending #4227
21	July 23, 2012	Company #6	Transfer of $5,033.40, of which $1,423.50 was paid for PO ending #2464
22	Mar. 27, 2013	Company #6	Transfer of $1,366.75, of which $500.50 was paid for PO ending #1001
23	Oct. 26, 2012	Company #6	Transfer of $6,199.83, of which $5,492.48 was paid for PO ending #5444
24	July 3, 2013	Company #7	Transfer of $23,940.13, of which $6,947.90 was paid for PO ending #2511
25	July 3, 2013	Company #7	Transfer of $23,940.13, of which $4,528.04 was paid for PO ending #4753
26	Aug. 22, 2013	Company #7	Transfer of $48,934.56, of which $17,066.00 was paid for PO ending #3371
27	Sept. 11, 2013	Company #7	Transfer of $30,510.20 for PO ending #3114
28	Aug. 12, 2013	Company #8	Transfer of $2,311.75 for PO ending #8220
29	Mar. 4, 2013	Company #9	Transfer of $6,930 for PO ending #2266
30	Aug. 8, 2013	Company #9	Transfer of $29,168, of which $1,688.40 was paid for PO ending #1057
31	Apr. 5, 2013	Company #9	Transfer of $19,610 for PO ending #MV20

All in violation of 18 U.S.C. § 1343.

COUNT 32
(False Statement)

29. The factual allegations set forth in Paragraphs 1 through 20 of the Introduction Section of this Indictment are re-alleged and fully incorporated by reference herein.

30. Title 41, United States Code, Section 8302, which is part of the Buy American Act, requires generally that American materials be acquired for public use. In other words, the Buy American Act provides that the federal government give preference to products made in the United States when making certain purchases.

31. From on or about May 18 2011, to on or about August 31, 2012, in the Southern District of Ohio and elsewhere, the defendants,

DANIEL EMERSON NORTON, and
TIMOTHY M. KELLY

did willfully and knowingly falsify, conceal, and cover up by trick, scheme, and device a material fact in a matter within the jurisdiction of the executive branch of the Government of the United States, namely that the defendants, through Emerson Company, supplied parts made in China to the DOD as part of PO ending 0363, while also instructing Company # 5 to represent that the parts would be provided in compliance with the federal Buy American requirements.

Manner and Means

32. The manner and means by which Defendants **DANIEL EMERSON NORTON** and **TIMOTHY M. KELLY** falsified, concealed and covered up material facts from the United States was essentially as follows:

a. Defendant **NORTON** instructed the owner of Company #5 to bid on Request for Quotation #SPM7L2-11-A-1401, subject to I25B01 252.225-7001, *BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM* (Jan 2009) DFARS.

b. Company # 5 was ultimately awarded this contract, which was PO ending #0363.

c. Despite the fact that PO ending #0363 required compliance with Buy American requirements, Defendants **NORTON** and **KELLY** ordered the requested parts from N.S. Inc. in China, which parts, the defendants then provided to the DOD.

d. To conceal the country of origin of the parts, Defendants **NORTON** and **KELLY** directed that the parts be shipped to Emerson Company in California for repackaging and labeling before shipment to the DOD.

e. Once shipped, Defendant **KELLY** contacted Company # 5 and instructed the owner to submit an invoice to the DOD electronically through the DFAS in Columbus, Ohio, representing that the parts have been shipped and met the required specifications, including Buy American.

All in violation of 18 U.S.C. §§ 1001 and 2.

COUNTS 33-52
(Concealment Money Laundering)

33. The factual allegations set forth in Paragraphs 1 through 20 of the Introduction Section of this Indictment are re-alleged and fully incorporated by reference herein.

34. The allegations set forth in Counts 1 through 31 are also incorporated by reference herein.

35. Beginning at least as early as 2010 and continuing through in or about 2013, including the dates listed below, in the Southern District of Ohio and elsewhere, the defendants,

DANIEL EMERSON NORTON, and
TIMOTHY M. KELLY

did knowingly conduct and attempt to conduct financial transactions totaling approximately $2,151,118.90 affecting interstate commerce, and which transactions involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of 18 U.S.C. § 1343, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions, that is, funds, in the approximate amounts listed below, represented the proceeds of wire fraud:

Count	Date of Offense	Company	Financial Transaction with Emerson Company
33	Oct. 30, 2012	Company #2	Check #135 in the amount of $47,534.47, which included payment for POs #2819 and #6356
34	Nov. 8, 2012	Company #2	Check #136 in the amount of $31,589.08, which included payment for PO #0369
35	Oct. 15, 2012	Company 32	Check #134 in the amount of $100,306.26, which included payment for POs #1256 and #4560
36	July 25, 2012	Company #4	Electronic transfer of $35,631.90, which included payment for PO #1624
37	Feb. 11, 2013	Company #4	Electronic transfer of $2,783.88, which included payment for PO #0307
38	July 30, 2012	Company #5	Wire transfer of $36,315.00, which included payment for PO #4390
39	Mar. 12, 2012	Company #5	Wire transfer of $62,403.58, which included payment for PO #0954
40	Mar. 26, 2012	Company #5	Wire transfer of $90,383.20, which included payment for PO #6514
41	Sept. 4, 2012	Company #5	Wire transfer of $100,253.00, which was payment for PO #0363
42	Oct. 29, 2012	Company #6	Check #1025 in the amount of $25,223.24, which included payment for PO #6961
43	May 18, 2012	Company #6	Check #1009 in the amount of $27,093.70, which included payment for POs #1701 and #1856
44	Oct. 22, 2012	Company #6	Check #1024 in the amount of $59,646.45, which included payment for PO #4229
45	Oct. 31, 2012	Company #6	Check #1027 in the amount of $98,010.01, which included payment for POs #2914 and 5444
46	Dec. 3, 2012	Company #6	Check #1031 in the amount of $61,304.85, which included payment for POs #LE54 and #JQ22
47	Aug. 21, 2012	Company #6	Check #1017 in the amount of $88,763.06, which included payment for PO #4227
48	July 30, 2012	Company #6	Check #1014 in the amount of $31,822.65, which included payment for PO #2464

49	Aug. 15, 2013	Company #8	Check #105 in the amount of $2,080.58, which included payment for PO #8220
50	Mar. 5, 2013	Company #9	Check #1316 in the amount of $6,172.60, which included payment for PO #2266
51	Aug. 9, 2013	Company #9	Check #1249 in the amount of $45,899.05, which included payment for PO #1057
52	Apr. 17, 2013	Company #9	Counter Check in the amount of $28,071.62, which included payment for PO #MV20

All in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2.

COUNT 53
(Money Laundering)

36. The factual allegations set forth in Paragraphs 1 through 20 of the Introduction Section of this Indictment are re-alleged and fully incorporated by reference herein.

37. The allegations set forth in Counts 1 through 31 and 33 through 52 are also incorporated by reference herein.

38. On or about March 8, 2013, 621 Kaiola Street was purchased in the name of Defendant **EMERSON MANUFACTURING COMPANY, INC.** for $352,000.

39. On or about May 21, 2012, in the Southern District of Ohio, the defendants,

DANIEL EMERSON NORTON,
TIMOTHY M. KELLY, and
EMERSON MANUFACTURING, INC.

did knowingly engage and attempt to engage in a monetary transaction by through or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than $10,000, that is the withdrawal of $40,000 from Emerson Company bank account ending x1971, which was used to purchase a Cashier' Check for the same amount, such property having been derived from a specified unlawful activity, that is, wire fraud, in violation of 18 U.S.C. § 1343 as described above, and which Cashier's Check was provided to Old Republic Title and Escrow as a down payment on the purchase of the property located at 621 Kaiola Street.

All in violation of Title 18, United States Codes, Sections 1957 and 2.

FORFEITURE A

40. The allegations contained in Counts 1 through 31 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures to the United States of America pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) and 21 U.S.C. § 853(p).

41. Upon conviction of any the offenses in violation of 18 U.S.C. §§ 1343 or 1349 as set forth in Counts 1 through 31 of the Indictment, the defendants, **DANIEL EMERSON NORTON** and **TIMOTHY M. KELLY** shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained, directly or indirectly as a result of the such violation including but not limited to a $2,151,118.90 in the form of a forfeiture money judgment, which represents a conservative estimate of the net proceeds obtained as a result of the activity as outlined in Count One through Thirty-One of the Indictment in the form of a forfeiture money judgment.

(a) The Contents of Bank of America Account ****0263, held in the name of Emerson Manufacturing Company, Inc. containing $333,230.08, as proceeds directly traceable to the violation(s) as described in Count One through Thirty-One of the Indictment in partial satisfaction of the $2,151,118.90 forfeiture money judgment.

Substitute Assets

42. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), the defendant shall forfeit substitute property, up to the value of the above-described property if, as a result of any act or omission of the defendants, **DANIEL EMERSON NORTON** and **TIMOTHY M. KELLY** the forfeitable property so described, or any portion thereof;

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with a third party;

(c) has been placed beyond the jurisdiction of the court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendants up to the remaining value of the $2,151,118.90 forfeiture money judgment.

All in accordance with Title 18, United States Code § 981(a)(1)(C) and 28 U.S.C. § 2461(c) and Rule 32.2(a), Federal Rules of Criminal Procedure.

FORFEITURE B

43. The allegations of Count 53 are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America pursuant to 18 U.S.C. §982(a)(1).

44. Upon conviction of the violation as alleged in Count 53 of the Indictment, the Defendants **DANIEL EMERSON NORTON**, **TIMOTHY M. KELLY**, and **EMERSON MANUFACTURING COMPANY, INC.** shall forfeit to the United States under 18 U.S.C. §982(a)(1) any property real or personal, involved in a transaction or attempted transaction or offense in violation of 18 U.S.C. §1957 or conspiracy to commit such offenses, for which the defendant is convicted, and all property traceable to such property, including but not limited to the following:

(a) Real Property and improvements thereon known and numbered as 621 Kaiola Street, Kihei, Hawaii, 96753 with all improvements, appurtenances and attachments thereon, and legally described as:

Situated in the State of Hawaii, County of Maui and described as follows:

All that certain parcel of land situated at Makawao, Island and County of Maui, State of Hawaii, described as follows:

Lot 114, area 7,768 square feet, more or less, as delineated on the map entitled "KA'ONO'ULU ESTATES, PHASE I", which said map was filed in the Bureau of Conveyances of the State of Hawaii as File Plan No. 2075.

SUBJECT HOWEVER TO THE FOLLOWING:

1. Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes due to possible loss of exemption status.

2. Title to all minerals, and metallic mines reserved to the State of Hawaii.

3. Agreement for : SUBDIVISION (LARGE LOTS)
Executed By : KAONOLULU RANCH COMPANY, LIMITED, a Hawaii corporation
and Between : the COUNTY OF MAUI

On the terms, covenants and conditions contained therein,

Dated: October 1, 1980
Recorded: January 28, 1981 in the Bureau of Conveyances, State of Hawaii, in Book 15309, Page 466

4. Agreement for : SUBDIVISION (THREE LOTS OR LESS)
Executed By : KAONOULU RANCH COMPANY, LIMITED, a Hawaii corporation
And Between : the COUNTY OF MAUI

On the terms, covenants and conditions contained therein,

Dated: October 1, 1980
Recorded: February 2, 1981 in the bureau of Conveyances, State of Hawaii, in Book 15318, Page 546

5. CERTIFICATE OF LONG-TERM RESIDENTIAL USE
Dated: September 28, 1989
Recorded: October 3, 1989 in the Bureau of Conveyances, State of Hawaii, in Book 23724, Page 508
By: HORITA-MAUI, INC.

6. CERTIFICATE OF LONG-TERM RESIDENTIAL USE
Dated: September 28, 1989
Recorded: October 3, 1989 in the Bureau of Conveyances, State of Hawaii, in Book 23724, Page 510
By: HORITA-MAUI, INC.

7. NOTICE
Dated: June 18, 1990
Recorded: June 28, 1990 in the Bureau of Conveyances, State of Hawaii, as Document No. 90-097888
By: HORITA-MAUI, INC.
Re: Kihei Wastewater Treatment Capacity

8. Agreement for: Conditional Zoning

On the terms, covenants and conditions contained therein,
Dated: October 18, 1991
Recorded: November 7, 1991 in the Bureau of Conveyances, State of Hawaii, as Document No. 91-153553

9. Terms and conditions of that certain Acknowledgement made Horita-Maui, Inc. dated October 5, 1991, recorded November 18, 1991 in the Bureau of Conveyances, State of Hawaii, as Document No. 91-158124, re: sewerage system capacity at the Kihei Waste Water Treatment facility and the availability thereof.

10. Agreement for : SUBDIVISION (LARGE LOTS)

Executed By : HORITA-MAUI, INC.

On the terms, covenants and conditions contained therein,

Dated: November 15, 1991
Recorded: December 9, 1991 in the Bureau of Conveyances, State of Hawaii, as Document No. 91-168169

11. Covenants, Conditions and Restrictions, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled: DECLARATION OF PROTECTIVE COVENANTS FOR KA'ONO'ULU ESTATES
Dated: February 27, 1992
Recorded: March 11, 1992 in the Bureau of Conveyances, State of Hawaii, as Document No. 92-035453

12. Agreement for : HOLD HARMLESS AGREEMENT

Executed By : COUNTY OF MAUI

And Between : HORITA-MAUI, INC., a Hawaii corporation

On the terms, covenants and conditions contained therein,

Dated: November 7, 1994
Recorded: in the Bureau of Conveyances, State of Hawaii, as Document No. 94-201929

RE: Wastewater treatment capacity

13. Restriction of vehicular access as shown on the map of File Plan No. 2075.

14. Terms and provisions as contained in an instrument,

Entitled: CERTIFICATION OF LONG-TERM RESIDENTIAL USE

Dated: February 24, 1995
Recorded: in the Bureau of Conveyances, State of Hawaii, as Document No. 95-026256

15. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in Deed dated March 1, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-034056, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or natural origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6,HRS.

Being all the property described in the following:

Deed Recorded: March 8, 2013 in the Bureau of Conveyances, State of Hawaii, as Document No. A48150440A
Grantor: KIMBERLY CURTIS, single, as Tenant in Severalty
Grantee: EMERSON MANUFACTURING COMPANY

Property Address: 621 Kaiola Street, Kihei, Hawaii, 96753.
Tax Map Key: 2-3-9-048-114
Parcel Number 390481140000.
Record Owner: Emerson Manufacturing Company.

All in accordance with Title 18, United States Code, §982(a)(1) and Rule 32.2(a), Federal Rules of Criminal Procedure.

A True Bill.

s/Foreperson
Grand Jury Foreperson

BENJAMIN C. GLASSMAN
United States Attorney

J. MICHAEL MAROUS
JESSICA W. KNIGHT
Assistant United States Attorneys

AO 442 (Rev. 01/09) Arrest Warrant

UNITED STATES DISTRICT COURT

for the

Southern District of Ohio

United States of America
v.
DANIEL EMERSON NORTON

Defendant

Case No. 2:17-cr-50 (1)

ARREST WARRANT

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay *(name of person to be arrested)* DANIEL EMERSON NORTON, who is accused of an offense or violation based on the following document filed with the court:

☑ Superseding Indictment ☐ Indictment ☐ Information ☐ Superseding Information ☐ Complaint
☐ Probation Violation Petition ☐ Supervised Release Violation Petition ☐ Violation Notice ☐ Order of the Court

This offense is briefly described as follows:

Conspiracy to Commit Wire Fraud - 18 U.S.C. 1349
Wire Fraud - 18 U.S.C. 1343
False Statement - 18 U.S.C. 1001 and 2
Concealment Money Laundering - 18 U.S.C. 1956(a)(1)(B)(i) and 2
Money Laundering - 18 U.S.C. 1957 and 2

Date: 03/14/2017

____
Issuing officer's signature

City and state: Columbus, OH

____
Printed name and title

Return

This warrant was received on *(date)* ____________, and the person was arrested on *(date)* ____________ at *(city and state)* ____________.

Date: ____________

____
Arresting officer's signature

____
Printed name and title

This second page contains personal identifiers provided for law-enforcement use only and therefore should not be filed in court with the executed warrant unless under seal.

(Not for Public Disclosure)

Name of defendant/offender: DANIEL EMERSON NORTON

Known aliases:

Last known residence: 326 S PCH Hwy Apt. 101, Redondo Beach, CA 90277

Prior addresses to which defendant/offender may still have ties:

It is believed that Daniel E. Norton currently resides in Bangladesh.

Last known employment:

Last known telephone numbers:

Place of birth:

Date of birth: /1967

Social Security number:

Height:

Weight:

Sex: M

Race:

Hair:

Eyes:

Scars, tattoos, other distinguishing marks:

History of violence, weapons, drug use:

Known family, friends, and other associates *(name, relation, address, phone number)*:

FBI number:

Complete description of auto:

Investigative agency and address:

Name and telephone numbers (office and cell) of pretrial services or probation officer *(if applicable)*:

Date of last contact with pretrial services or probation officer *(if applicable)*: